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Researching Services

12897 Colonial Drive • Mt. Airy, MD 21771
Office/Fax: 301-253-6040
maryannoster@comcast.net

December 21, 2007

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DEC 21 '07 -4 07 PM

Ms. Barbara Sadler
Surface Transportation Board
395 E Street SW
Washington, D.C. 20423

SURFACE TRANSPORTATION BOARD

Dear Barbara:

Enclosed is a Memorandum of Security Agreement dated 12/18/07 involving the following parties and railroad equipment:

Secured Party: Wells Fargo Equipment Finance, Inc.
Investors Building, Suite 700
733 Marquette Avenue
Minneapolis, MN 5402

Debtor: Continental Rail, LLC
8054 McGowin
Post Office Box 1171
Fairhope, AL 36533

Equipment: 26, Tank Cars
WCHX 25301-25325
Previously NATX 28571-28598

Please record this agreement as a primary document. The filing fee of \$35 is enclosed.

Summary: Memorandum of Security Agreement dated 12/18/07 between Wells Fargo Equipment Finance, Inc. as Secured Party and Continental Rail, LLC as Debtor including 26 Tank Cars.

Sincerely,



Mary Ann Oster
Research Consultant

Enclosure



Wells Fargo Equipment Finance
Investors Building, Suite 700
733 Marquette Ave So
Minneapolis, MN 55402

Memorandum of Security Agreement

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 18th day of December, 2007, by and between Continental Rail, LLC, a limited liability company ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC, a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note dated as of December 18, 2007 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated December 18, 2007, pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Twenty-Six (26) Union Car Corporation T107 25000-26000 Gallon EC/I Rail Tank Cars with the following markings described on Schedule A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

(e) any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, the Rail Car Lease dated March 31, 1998 between the Debtor and ADM Transportation Company and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;

(f) all rent, damages and other moneys from time to time payable to or receivable by the Debtor in respect of the Railcars; and

(g) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

Continental Rail, LLC.

By: Thomas C. Waller, Jr., its Manager

WELLS FARGO EQUIPMENT FINANCE, INC.

By: Barbara Skowron
Its: Vice President

STATE OF Alabama State College
COUNTY OF Baldwin

On this 19th day of Dec., 2007, before me, a Notary Public of the City and State aforesaid, personally appeared Thomas C. Miller Jr. to me personally known, who being by me duly sworn, says that he is the Manager of Continental Rail, LLC, an Alabama corporation, the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

Miranda D. Walker
Notary Public

My commission expires: 10/6/09

STATE OF Minnesota
COUNTY OF Hennepin

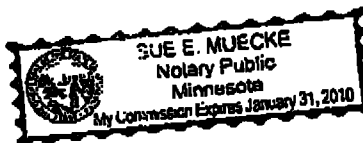
On this 21st day of Dec., 2007, before me a Notary Public of the City and State aforesaid, personally appeared BABARA KOVACS to me personally known who being by me duly sworn, says that (he/she) is a Vice President of WFEF, that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)

Sue E. Muecke
Notary Public

My commission expires:





Wells Fargo Equipment Finance
Investors Building, Suite 700
733 Marquette Ave So
Minneapolis, MN 55402

Schedule A
to Memorandum of
Security Agreement

Debtor: Continental Rail, LLC

Equipment Description: Twenty-Six (26) Union Tank Car Corporation T107 25000-26000 Gallon ECA Rail Tank Cars together with all options, attachments and accessories with the following markings:

Car Mark	Old Car Number	New Car Mark	New Car Number
NATX	28571	WCHX	25301
NATX	28572	WCHX	25302
NATX	28573	WCHX	25303
NATX	28574	WCHX	25304
NATX	28575	WCHX	25305
NATX	28576	WCHX	25326
NATX	28577	WCHX	25306
NATX	28578	WCHX	25307
NATX	28579	WCHX	25308
NATX	28580	WCHX	25309
NATX	28581	WCHX	25310
NATX	28582	WCHX	25311
NATX	28584	WCHX	25312
NATX	28585	WCHX	25313
NATX	28586	WCHX	25314
NATX	28587	WCHX	25315
NATX	28589	WCHX	25316
NATX	28590	WCHX	25317
NATX	28591	WCHX	25318
NATX	28592	WCHX	25319
NATX	28593	WCHX	25320
NATX	28594	WCHX	25321
NATX	28595	WCHX	25322
NATX	28596	WCHX	25323
NATX	28597	WCHX	25324
NATX	28598	WCHX	25325

Dated: December 18, 2007

Debtor: Continental Rail, LLC

By:  Thomas C. Walter, Jr., its Manager

